



CURRENT INDUSTRIAL REPORTS

Manufacturers' Shipments, Inventories, and Orders

March 1973



U. S. DEPARTMENT OF COMMERCE • Social and Economic Statistics Administration • BUREAU OF THE CENSUS

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SUMMARY

New orders for manufactured products in March increased \$2.00 billion or 2.8 percent to \$73.04 billion from \$71.04 billion in February after seasonal adjustment. Shipments in March increased \$655 million or 0.9 percent to \$69.78 billion from \$69.12 billion in February. Unfilled orders increased \$3.26 billion or 3.7 percent to \$91.95 billion at the end of March. Manufacturers' inventories increased \$1.18 billion or 1.1 percent to \$109.59 billion at the end of March. The inventories to shipments ratio remained unchanged at 1.57.

For the 3 months ending in March, the average month to month change in new orders increased 2.6 percent, compared with a 1.0 percent increase for the 3 months ending in September and a 1.1 percent increase for the 3 months ending in December.

NEW ORDERS

New orders for durable goods increased \$1.44 billion or 3.6 percent to \$41.52 billion in March. The increase in new orders was primarily attributable to increases in the primary metals industries (\$835 million), nonelectrical machinery (\$385 million) and shipbuilding and railroad equipment (\$344 million).

SHIPMENTS

Shipments of durable goods increased \$60 million or 0.2 percent to \$38.39 billion in March. The nonelectrical machinery industry increased \$185 million in shipments in March. This increase was partially offset by small decreases in several industries. Shipments of nondurable goods industries increased \$595 million or 1.9 percent to \$31.38 billion in March. Increases in shipments of food products (\$345 million) and textile mill products (\$140 million) were primarily

responsible for the increase in nondurable goods shipments.

UNFILLED ORDERS

Unfilled orders of durable goods increased \$3.12 billion or 3.7 percent to \$87.46 billion at the end of March. The March increase in unfilled orders was led by primary metals industries (\$1.38 billion), nonelectrical machinery (\$620 million), shipbuilding and railroad equipment (\$450 million) and electrical machinery (\$305 million).

INVENTORIES

Inventories of durable goods and nondurable goods increased \$825 million and \$350 million respectively in March. At the all manufacturing level, materials and supplies increased \$140 million, work in process inventories increased \$560 million and finished goods inventories increased \$475 million.

SCHEDULED RELEASE DATES

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for April is scheduled for release on May 21, 1973 and the full report is scheduled for release on May 31, 1973.

For an explanation of terms used in this report see appendix following table 5.

Inquiries concerning these figures should be addressed to the U.S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census, Industry Division, Washington, D.C. 20233.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Shipments						Total inventories					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	March 1973 ^p	Feb. 1973 ^r	Jan. 1973	March 1973 ^p	Feb. 1973 ^r	March 1972	March 1973 ^p	Feb. 1973 ^r	Jan. 1973	March 1973 ^p	Feb. 1973 ^r	March 1972
All manufacturing industries:												
Total.....	69,778	69,123	68,299	72,272	69,995	62,380	109,591	108,414	107,549	110,032	108,955	102,856
Total, excluding transportation.....	60,674	59,939	58,855	62,358	60,200	54,190	92,488	91,460	90,729	92,861	91,925	87,240
Durable goods industries, total.	38,394	38,336	38,056	40,334	39,098	34,285	71,941	71,117	70,632	72,256	71,339	66,894
Stone, clay, and glass products.	2,263	2,229	2,203	2,215	2,054	1,928	2,409	2,345	2,372	2,500	2,414	2,319
Primary metals, total.....	6,115	6,167	5,835	6,462	6,270	5,211	9,388	9,483	9,567	9,403	9,569	9,518
Blast furnaces, steel mills.	3,052	3,098	2,935	3,244	3,120	2,530	4,941	5,061	5,172	4,907	5,116	5,158
Nonferrous metals.....	2,252	2,275	2,114	2,365	2,330	1,976	3,489	3,454	3,427	3,517	3,478	3,487
All other primary metals....	811	794	786	853	820	705	958	968	968	979	975	873
Fabricated metal products total.....	3,743	3,812	3,688	3,786	3,803	3,372	8,002	7,813	7,638	7,979	7,734	7,266
Metal cans, barrels, and drums.....	436	499	421	420	454	421	772	768	649	751	749	747
Machinery, except electrical, total.....	6,270	6,084	6,200	6,808	6,421	5,788	14,562	14,346	14,202	14,701	14,489	13,479
Engines and turbines.....	434	449	516	513	455	490	1,395	1,334	1,340	1,392	1,364	1,227
Farm machinery and equipment.	605	584	601	732	646	648	1,260	1,224	1,212	1,311	1,275	1,141
Construction, mining, and material handling equipment.	1,110	1,054	999	1,177	1,137	915	2,795	2,783	2,778	2,836	2,806	2,574
Metalworking machinery.....	524	433	451	567	460	448	1,261	1,255	1,219	1,264	1,259	1,144
General industrial machinery	474	476	450	494	492	453	1,250	1,239	1,221	1,273	1,250	1,154
Electrical machinery, total...	5,286	5,282	5,320	5,399	5,269	4,793	11,001	10,787	10,715	10,980	10,674	9,858
Electrical transmission and distribution equipment and industrial apparatus.....	994	1,015	1,037	1,040	1,030	961	2,402	2,376	2,357	2,406	2,374	2,225
Household appliances.....	773	719	743	834	698	680	1,156	1,120	1,118	1,164	1,140	1,046
Radio and TV.....	510	528	446	469	503	371	977	1,001	982	933	930	735
Communication equipment.....	1,245	1,217	1,308	1,240	1,213	1,224	3,108	3,057	3,057	3,121	3,030	2,970
Transportation equipment, total	9,104	9,184	9,444	9,914	9,795	8,190	17,103	16,954	16,820	17,171	17,030	15,616
Motor vehicles and parts....	6,029	6,109	6,341	6,626	6,677	5,390	4,322	4,267	4,205	4,339	4,361	4,107
Aircraft, missiles, and parts.....	2,073	2,125	2,283	2,288	2,191	1,909	9,601	9,521	9,472	9,643	9,492	9,003
Shipbuilding and railroad equipment.....	629	623	570	636	625	579	2,436	2,431	2,424	2,402	2,400	1,860
Instruments and related products, total.....	1,108	1,086	1,085	1,117	1,066	1,002	2,628	2,530	2,576	2,636	2,507	2,516
Scientific and engineering..	583	567	577	593	577	517	1,508	1,479	1,515	1,515	1,467	1,461
All other instruments and related products.....	525	519	508	524	489	485	1,120	1,051	1,061	1,121	1,040	1,055
All other durable goods industries.....	4,505	4,492	4,281	4,633	4,420	4,001	6,848	6,859	6,742	6,886	6,922	6,322
Nondurable goods industries, total.....	31,384	30,787	30,243	31,938	30,897	28,095	37,650	37,297	36,917	37,776	37,616	35,962
Food and kindred products, total.....	10,671	10,327	10,126	10,721	10,184	9,117	9,623	9,629	9,459	9,513	9,704	8,990
Meat products.....	2,491	2,365	2,253	2,473	2,280	2,126	950	897	849	983	927	806
Fats and oils.....	644	671	624	658	688	441	929	882	833	970	936	739
Tobacco products.....	526	540	543	509	507	503	2,393	2,429	2,414	2,508	2,548	2,348
Textile mill products.....	2,747	2,606	2,547	2,844	2,572	2,415	4,020	3,889	3,844	4,099	3,939	3,800
Paper and allied products, total.....	2,547	2,537	2,541	2,630	2,578	2,393	2,839	2,794	2,807	2,835	2,792	2,745
Pulp, paper, etc.....	1,050	1,023	1,066	1,094	1,040	957	998	989	1,013	1,002	996	1,052
Paperboard containers.....	771	779	748	774	761	723	857	860	839	853	851	826
All other paper containers..	726	735	727	762	777	713	984	945	955	980	945	867
Chemicals and allied products, total.....	5,446	5,402	5,135	5,619	5,482	4,781	6,728	6,798	6,813	6,822	6,916	6,791
Industrial chemicals, except pigments.....	1,622	1,651	1,628	1,678	1,702	1,461	1,813	1,867	1,867	1,842	1,895	1,909
Drugs, soap, and toiletries.	1,568	1,550	1,481	1,598	1,601	1,450	2,260	2,220	2,221	2,256	2,225	2,113
Petroleum and coal products...	2,581	2,521	2,514	2,517	2,564	2,260	2,163	2,162	2,154	2,142	2,137	2,165
Rubber and plastics products, n.e.c.....	1,556	1,562	1,559	1,619	1,591	1,537	2,352	2,324	2,319	2,398	2,371	2,239
All other nondurable goods industries.....	5,310	5,292	5,278	5,479	5,419	5,089	7,532	7,272	7,107	7,459	7,209	6,884

See footnotes at end of table.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP--Continued

(Millions of dollars)

Industry group	New orders						Unfilled orders					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	Mar. 1973 ^P	Feb. 1973 ^R	Jan. 1973	Mar. 1973 ^P	Feb. 1973 ^R	Mar. 1972	Mar. 1973 ^P	Feb. 1973 ^R	Jan. 1973	Mar. 1973 ^P	Feb. 1973 ^R	Mar. 1972
All manufacturing industries:												
Total.....	73,043	71,042	69,838	75,556	72,784	63,059	91,949	88,691	86,768	93,359	90,076	75,914
Total, excluding transportation.....	63,514	61,712	60,001	65,305	62,771	54,962	65,973	63,137	61,364	67,243	64,297	53,421
Durable goods industries, total.	41,522	40,087	39,414	43,469	41,663	34,838	87,463	84,345	82,589	88,876	85,744	72,433
Primary metals, total.....	7,500	6,666	6,206	7,927	7,409	5,495	10,727	9,344	8,845	11,898	10,435	7,032
Blast furnaces, steel mills.	4,113	3,447	3,123	4,431	3,984	2,707	6,919	5,858	5,509	7,929	6,743	4,194
Nonferrous metals.....	2,482	2,406	2,253	2,554	2,577	2,067	2,562	2,333	2,202	2,706	2,517	1,940
Fabricated metal products.....	4,003	4,045	3,882	4,082	3,949	3,484	11,049	10,790	10,557	11,025	10,729	9,654
Machinery, except electrical, total.....	6,892	6,509	6,709	7,382	6,941	5,994	17,078	16,458	16,033	17,142	16,567	13,106
Engines and turbines.....	560	476	633	599	514	526	4,645	4,519	4,492	4,651	4,566	3,525
Construction, mining, and material handling equipment.	1,257	1,152	1,098	1,379	1,269	1,003	3,138	2,991	2,893	3,172	2,970	2,475
Metalworking machinery.....	651	562	550	671	578	479	1,717	1,590	1,461	1,686	1,582	976
General industrial machinery.	493	516	488	519	556	442	1,633	1,614	1,574	1,661	1,636	1,314
Electrical machinery, total...	5,592	5,563	5,262	5,658	5,588	4,731	15,868	15,562	15,281	15,851	15,594	13,940
Electrical transmission and distribution equipment and industrial apparatus.....	1,114	1,093	1,093	1,153	1,149	983	4,636	4,515	4,437	4,645	4,532	3,843
Household appliances.....	769	733	736	845	713	688	154	158	144	167	157	138
Radio and TV.....	487	611	353	450	600	395	660	683	601	637	656	496
Communication equipment.....	1,355	1,253	1,149	1,291	1,193	1,140	5,849	5,740	5,703	5,852	5,802	5,950
Transportation equipment, total.....	9,529	9,330	9,837	10,251	10,013	8,097	25,976	25,554	25,404	26,116	25,779	22,493
Aircraft, missiles, and parts.....	2,004	2,017	2,337	2,193	2,280	2,045	16,523	16,593	16,699	16,750	16,844	14,522
Shipbuilding and railroad equipment.....	1,080	736	724	1,062	653	413	6,234	5,783	5,668	6,095	5,670	5,366
All other durable goods industries.....	8,006	7,974	7,518	8,169	7,763	7,037	6,765	6,637	6,469	6,844	6,640	6,208
Nondurable goods industries, total.....	31,521	30,955	30,424	32,087	31,121	28,221	4,486	4,346	4,179	4,483	4,332	3,481
Industries with unfilled orders.....	8,392	8,289	8,163	8,561	8,354	7,775	4,486	4,346	4,179	4,483	4,332	3,481
Industries without unfilled orders.....	23,129	22,666	22,261	23,526	22,767	20,446	-	-	-	-	-	-

- Represents zero.

^PPreliminary.^RRevised.¹Adjusted for trading-day and calendar-month variations.

Table 2.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, FOR MARKET CATEGORIES AND SUPPLEMENTARY SERIES
(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment		
	Mar. 1973P	Feb. 1973 ^P	Jan. 1973	Mar. 1973P	Feb. 1973 ^P	Mar. 1972	Mar. 1973P	Feb. 1973 ^P	Jan. 1973	Mar. 1973P	Feb. 1973 ^P	Mar. 1972
	Shipments						Total inventories					
All manufacturing industries, total..	69,778	69,123	68,299	72,272	69,995	62,380	109,591	108,414	107,549	110,032	108,955	102,856
Durable goods industries, total.....	38,394	38,336	58,855	40,334	39,098	34,285	71,941	71,117	70,632	72,256	71,339	66,894
Nondurable goods industries, total.....	31,384	30,787	30,243	31,938	30,897	28,095	37,650	37,297	36,917	37,776	37,616	35,962
Industry groups arranged by market categories:												
Home goods and apparel.....	7,070	6,921	6,909	7,396	7,014	6,337	12,383	12,120	11,841	12,350	12,068	10,932
Consumer staples.....	13,391	13,048	12,816	13,420	12,889	11,788	14,469	14,480	14,332	14,454	14,636	13,896
Equipment and defense products, except automotive.....	9,859	9,693	9,970	10,507	9,979	9,058	28,939	28,692	28,509	29,105	28,734	26,715
Automotive equipment.....	6,887	6,891	7,039	7,484	7,421	6,150	5,876	5,807	5,725	5,980	5,974	5,509
Construction materials, supplies, and intermediate products.....	6,105	6,154	5,880	6,055	5,782	5,327	8,834	8,674	8,680	8,993	8,768	8,323
Other materials and supplies and intermediate products.....	26,466	26,416	25,685	27,410	26,910	23,582	39,090	38,641	38,462	39,150	38,775	37,481
Supplementary series: ²												
Household durable goods industries.....	3,307	3,271	3,184	3,428	3,262	2,858	5,674	5,636	5,534	5,662	5,617	4,998
Capital goods industries.....	11,577	11,460	11,733	12,233	11,788	10,692	32,524	32,200	31,990	32,629	32,182	29,957
Nondefense.....	9,714	9,562	9,721	10,374	9,960	8,962	26,189	25,920	25,807	26,369	26,010	24,389
Defense.....	1,863	1,898	2,012	1,859	1,828	1,730	6,335	6,280	6,183	6,260	6,172	5,568
	New orders						Unfilled orders					
All manufacturing industries, total..	73,043	71,042	69,838	75,556	72,784	63,059	91,949	88,691	86,768	93,359	90,076	75,914
Durable goods industries, total.....	41,522	40,087	39,414	43,469	41,663	34,838	87,463	84,345	82,589	88,876	85,744	72,433
Nondurable goods industries, total.....	31,521	30,955	30,424	32,087	31,121	28,221	4,486	4,346	4,179	4,483	4,332	3,481
Industry groups arranged by market categories:												
Home goods and apparel.....	7,125	7,093	6,817	7,459	7,213	6,436	2,668	2,614	2,441	2,620	2,564	2,326
Consumer staples.....	13,392	13,047	12,821	13,413	12,893	11,781						
Equipment and defense products, except automotive.....	11,050	10,233	10,415	11,586	10,633	8,976	46,296	45,066	44,383	46,454	45,370	39,332
Automotive equipment.....	6,930	7,032	7,224	7,490	7,522	6,087						
Construction materials, supplies, and intermediate products.....	6,346	6,302	6,048	6,390	5,928	5,531	10,615	10,374	10,226	10,635	10,300	9,461
Other materials and supplies and intermediate products.....	28,200	27,335	26,513	29,218	28,595	24,248	32,370	30,637	29,718	33,650	31,842	24,795
Supplementary series: ²												
Household durable goods industries.....	3,359	3,439	3,087	3,480	3,456	2,937	2,182	2,132	1,964	2,146	2,095	1,891
Capital goods industries.....	12,773	11,998	12,342	13,318	12,516	10,797	52,297	51,104	50,559	52,517	51,435	44,507
Nondefense.....	10,714	10,036	10,433	11,423	10,627	9,133	32,005	31,007	30,528	32,186	31,140	25,450
Defense.....	2,059	1,962	1,909	1,895	1,889	1,664	20,292	20,097	20,031	20,331	20,295	19,057

During 1968 manufacturers in ordnance, communications, aircraft and aircraft parts, and shipbuilding industries began to provide aggregate figures on shipments, orders, and total inventories of work performed for the Department of Defense. The results of these reports are included in the defense series. P Preliminary. ¹ Revised. ¹ Shipments and new orders adjusted for trading-day and calendar-month variations; unfilled orders and inventories as of end of month. ² The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.

Capital goods industries - The capital goods industries series is comparable to the previous Producers' Capital Goods and the Defense Products (old series) categories.

Nondefense products - Machinery, except electrical (excluding farm machinery and equipment and machine shops), electrical machinery (excluding household appliances and electronic components), and the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.

Defense products - Based on separate reports on defense work filed by large defense contractors in the following industries: ordnance, communications, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.

Table 3.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month			Average monthly rates of change				Average, 1967-1972	
	Feb.- Mar. 1973	Jan.- Feb. 1973	Dec. 1972- Jan. 1973	3 months			12 months Mar. 1972- Mar. 1973	Average rise	Average decline
				Dec. 1972- Mar. 1973	Sept.- Dec. 1972	June- Sept. 1972			
Shipments:									
All manufacturing industries.....	+0.9	+1.2	+2.9	+1.7	+1.3	+1.5	+1.2	+1.3	-1.2
Durable goods industries, total.....	+0.2	+0.7	+4.6	+1.8	+1.3	+1.9	+1.4	+1.9	-1.9
Nondurable goods industries, total.....	+1.9	+1.8	+0.8	+1.5	+1.3	+0.9	+1.1	+1.0	-0.5
Total inventories:									
All manufacturing industries.....	+1.4	+0.8	+0.5	+0.9	+0.5	+0.6	+0.6	+0.5	-0.2
New orders:									
All manufacturing industries.....	+2.8	+1.7	+3.2	+2.6	+1.0	+1.1	+1.5	+1.9	-1.3
Durable goods industries, total.....	+3.6	+1.7	+4.9	+3.4	+0.6	+1.2	+1.9	+2.8	-2.4
Nondurable goods industries, total.....	+1.8	+1.7	+1.1	+1.5	+1.4	+0.9	+1.1	+1.0	-0.6
Unfilled orders:									
Durable goods industries, total.....	+3.7	+2.1	+1.7	+2.5	+1.2	+1.5	+1.7	+0.9	-1.2

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP
(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment			Seasonally adjusted			Without seasonal adjustment		
	Mar. 1973 ^p	Feb. 1973 ^r	Jan. 1973	Mar. 1973 ^p	Feb. 1973 ^r	Mar. 1972	Mar. 1973 ^p	Feb. 1973 ^r	Jan. 1973	Mar. 1973 ^p	Feb. 1973 ^r	Mar. 1972
	Total						Materials and supplies					
All manufacturing industries, total..	109,591	108,414	107,549	110,032	108,955	102,856	34,702	34,561	34,122	34,643	34,521	32,372
Durable goods industries, total.....	71,941	71,117	70,632	72,256	71,339	66,894	20,455	20,337	20,196	20,227	20,127	18,754
Stone, clay, and glass products.....	2,409	2,345	2,372	2,500	2,414	2,319	830	795	801	828	802	775
Primary metals.....	9,388	9,483	9,567	9,403	9,569	9,518	3,468	3,527	3,520	3,325	3,432	3,447
Machinery (electrical and nonelectrical).	25,563	25,133	24,917	25,681	25,163	23,337	7,007	6,858	6,780	6,973	6,825	6,181
Transportation equipment.....	17,103	16,954	16,820	17,171	17,030	15,616	2,698	2,719	2,739	2,722	2,746	2,828
All other durable goods industries.....	17,478	17,202	16,956	17,501	17,163	16,104	6,452	6,438	6,356	6,379	6,322	5,523
Nondurable goods industries, total.....	37,650	37,297	36,917	37,776	37,616	35,962	14,247	14,224	13,926	14,416	14,394	13,618
Chemicals and allied products.....	6,728	6,798	6,813	6,822	6,916	6,791	2,354	2,394	2,342	2,359	2,391	2,312
Petroleum and coal products.....	2,163	2,162	2,154	2,142	2,137	2,165	520	513	516	520	516	521
Rubber and plastics products, n.e.c.....	2,352	2,324	2,319	2,398	2,371	2,239	645	638	630	624	631	625
All other nondurable goods industries....	26,407	26,013	25,631	26,414	26,192	24,767	10,728	10,679	10,438	10,913	10,856	10,160
	Work in process						Finished goods					
All manufacturing industries, total..	39,497	38,936	38,574	39,612	39,038	35,882	35,392	34,917	34,853	35,777	35,396	34,602
Durable goods industries, total.....	33,688	33,262	32,952	33,878	33,349	30,396	17,798	17,518	17,484	18,151	17,863	17,744
Stone, clay, and glass products.....	316	304	319	344	319	302	1,263	1,246	1,252	1,328	1,293	1,242
Primary metals.....	3,294	3,338	3,332	3,356	3,425	3,242	2,626	2,618	2,715	2,722	2,712	2,829
Machinery (electrical and nonelectrical).	11,433	11,258	11,143	11,497	11,264	10,247	7,123	7,017	6,994	7,211	7,074	6,909
Transportation equipment.....	13,164	13,033	12,900	13,187	13,029	11,384	1,241	1,202	1,181	1,262	1,255	1,404
All other durable goods industries.....	5,481	5,329	5,258	5,494	5,312	5,221	5,545	5,435	5,342	5,628	5,529	5,360
Nondurable goods industries, total.....	5,809	5,674	5,622	5,734	5,689	5,486	17,594	17,399	17,369	17,626	17,533	16,858
Chemicals and allied products.....	1,077	1,059	1,051	1,074	1,073	1,046	3,297	3,345	3,420	3,389	3,452	3,433
Petroleum and coal products.....	484	476	474	486	470	473	1,159	1,173	1,164	1,136	1,151	1,171
Rubber and plastics products, n.e.c.....	375	376	378	372	374	335	1,332	1,310	1,311	1,402	1,366	1,279
All other nondurable goods industries....	3,873	3,763	3,719	3,802	3,772	3,632	11,806	11,571	11,474	11,699	11,564	10,975

^pPreliminary.^rRevised.

Table 5.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP
(Based on seasonally adjusted data)

Industry group	Inventories - shipments ratio				Unfilled orders - shipments ratio ¹ (months' backlog)			
	Mar. 1973 ^b	Feb. 1973 ^r	Jan. 1973	Mar. 1972	Mar. 1973 ^p	Feb. 1973 ^r	Jan. 1973	Mar. 1972
All manufacturing industries, total.....	1.57	1.57	1.57	1.70	2.21	2.14	2.13	2.08
Durable goods industries, total.....	1.87	1.86	1.86	2.04	2.62	2.54	2.52	2.51
Stone, clay, and glass products.....	1.06	1.05	1.08	1.13	(NA)	(NA)	(NA)	(NA)
Primary metals.....	1.54	1.54	1.64	1.93	1.75	1.52	1.52	1.29
Fabricated metals.....	2.14	2.05	2.07	2.19	3.34	3.26	3.23	3.34
Machinery, except electrical.....	2.32	2.36	2.29	2.51	2.72	2.71	2.59	2.45
Electrical machinery.....	2.08	2.04	2.01	2.10	3.00	2.95	2.87	2.97
Transportation equipment.....	1.88	1.85	1.78	2.06	5.46	5.32	5.22	5.52
Instruments and related products.....	2.37	2.33	2.37	2.52	(NA)	(NA)	(NA)	(NA)
Nondurable goods industries, total.....	1.20	1.21	1.22	1.30	0.54	0.54	0.52	0.46
Food and kindred products.....	0.90	0.93	0.93	1.00	(X)	(X)	(X)	(X)
Tobacco products.....	4.55	4.50	4.45	4.32	(X)	(X)	(X)	(X)
Textile mill products.....	1.46	1.49	1.51	1.60	(NA)	(NA)	(NA)	(NA)
Paper and allied products.....	1.11	1.10	1.10	1.19	(NA)	(NA)	(NA)	(NA)
Chemicals and allied products.....	1.24	1.26	1.33	1.43	(X)	(X)	(X)	(X)
Petroleum and coal products.....	0.84	0.86	0.86	0.94	(X)	(X)	(X)	(X)
Rubber and plastics products, n.e.c.....	1.51	1.49	1.49	1.49	(X)	(X)	(X)	(X)

(NA) Not available. ^pPreliminary. ^rRevised. (X) Not applicable.

¹Excludes the following industries with no unfilled order: Wooden containers; glass containers; metal cans, barrels and drums; motor vehicle assembly operations; foods and related products; tobacco; apparel and related products; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.

Appendix

The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

DESCRIPTION OF THE SURVEY

The Manufacturers' Shipments, Inventories, and Orders survey provides monthly figures that are comparable to the annual totals published each year in the annual survey of manufactures (ASM). The ASM is based on a sample of approximately 60,000 manufacturing establishments drawn from the 5-year census universe of about 310,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. The establishments do not provide information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification System (SIC) and area data for industry groups.

The monthly survey M3-1 does not provide information at the complete SIC industry detail because of the smaller size of the reporting panel and the fact that most companies cannot provide shipments, inventories, and orders data monthly for individual establishments.

The monthly reporting panel consists of approximately 5,000 reporting units and includes virtually all companies with 1,000 or more employees and a sample of the smaller ones. The reporting unit typically comprises the entire operations of a company although many of the larger diversified companies file separate divisional type reports for their operations in different industries.

Most of the reporting units include mixed industry activity even within the broad industry categories of the monthly survey. The survey methodology assumes that the month-to-month changes of the reporting units classified in each industry category represent effectively the month-to-month movements of the establishments in the SIC industries which make up the category. Thus, the monthly reports are used to update the ASM estimates by using a link relative of matched companies in each industry.

EXPLANATION OF TERMS

Value of Shipments--Shipments in the monthly survey are equivalent to value of shipments as reported in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for others, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the aircraft industry and shipbuilding, the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed aircraft or ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for the all manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from one division of the company to another as if they were net sales to outside customers. Although this

definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

Inventories--End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and non-durable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.

New Orders Received and Unfilled Orders--

Orders as reported in the monthly survey are net of cancellations during the month. They include orders received during the period and also filled during the period as well as those orders received for future delivery. They also include the net sales value of contract change documents which increase or decrease the sales value of the unfilled orders to which they relate. Orders include only those supported by binding legal documents such as signed contracts, or letter contracts. In case of letter contracts the full amount of the sales value is included if the parties are in substantial agreement on the amount; otherwise, only the funds specifically authorized to be expended are included. The respondent is instructed to deduct the sales value of partial or complete cancellation of existing orders.

Unfilled orders include orders as defined above that have not yet passed through the sales account. Generally, unfilled orders at the end of the reporting period are equal to unfilled orders at the beginning of the period plus net new orders received less net sales.

While both new orders and unfilled orders are used in reviewing individual company reports for consistency, only unfilled orders are estimated directly in the tabulated totals. New orders are derived from the shipments plus net change in unfilled orders for each industry category. This procedure is followed for seasonally adjusted data as well as for the unadjusted data. Shipments and unfilled orders are seasonally adjusted independently. Seasonally adjusted new orders are derived from seasonally adjusted shipments and seasonally adjusted unfilled orders.